

OLL ~~3412-85~~ 3412-85

Office of Legislative Liaison

Routing Slip

TO:	ACTION	INFO
1. D/OLL		X
2. DD/OLL		X
3. Admin Officer		X
4. Liaison		
5. Legislation	X	
6. [Redacted]		X
7. [Redacted]		X
8. [Redacted]		
9. [Redacted]		
10. [Redacted]		

SUSPENSE

25 Nov 85
Date

Action Officer:	[Redacted]
Remarks:	[Redacted]

CJ / 4 Nov 85
Name/Date



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

October 31, 1985

LEGISLATIVE REFERRAL MEMORANDUM

LEGISLATIVE LIAISON

SPECIAL

OLL FILE

Recpt #

OK
Record

TO: Legislative Liaison Officer-
 Department of Defense
 Department of Justice
 National Security Council
 Central Intelligence Agency

SUBJECT: State draft report on H.R. 3176, "To amend the Arms
 Export Control Act to increase the penalties for
 certain violations under that Act."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than
MONDAY, NOVEMBER 25, 1985.

Questions should be referred to Sue Thau (395-7300),
the legislative analyst in this office or to Jeff Ashford
(395-3920).

Ronald K. Peterson
RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosures

cc: Bob Howard

SPECIAL



United States Department of State

Washington, D.C. 20520

Dear Mr. Chairman:

Thank you for the opportunity to comment on H.R. 3176, "To amend the Arms Export Control Act to increase the penalties for certain violations under that Act." The proposed bill would amend Section 39(c) [sic] of the Arms Export Control Act to provide a penalty of life imprisonment for any person convicted of stealing any defense articles or defense services of the Department of Defense: 1) with the intent to export such articles in violation of section 38 of the AECA or 2) in connection with a violation of any provision of Section 38 or Section 39 or any rule or regulation issued thereunder, or any willful untrue statement or material omission in any required license application or report.

There is apparently a technical error in the bill as printed. It refers to section 39(c) of the Arms Export Control Act, which deals with fees of military sales agents, rather than section 38(c), which sets forth the penalties for violations of the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).

We defer to the Departments of Defense and Justice with respect to appropriate penalties for the theft of Department of Defense property. We do, however, believe that the recent amendment to section 38(c) of the AECA made by Section 119 of the International Security and Development Cooperation Act of 1985 gives us an appropriate and sufficient penalty basis for vigorous enforcement of Section 38 and the International Traffic in Arms Regulations. That section amends Section 38(c) of the Arms Export Control Act to provide for a fine of up to \$1 million, or a term of imprisonment of up to ten years, or both for any willful violation of Section 38 or the regulations issued under it, or any willful untrue statement or material omission in any required license application or report.

The Honorable

Dante B. Fascell, Chairman,
Committee on Foreign Affairs,
House of Representatives.

-2-

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

With best wishes,

Sincerely,

William L. Ball, III
Assistant Secretary
Legislative and Intergovernmental Affairs